



NEWSLETTER

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Almond Industry Position Report

December 2018

	<u>Million Lbs</u>
Carry-in August 1, 2018	359.0
2018 Net Marketable Crop (Received to date).....	<u>2,158.1</u>
Total Supply.....	2,517.1
Sold Shipped & Not Shipped	
Domestic	564.2
Export.....	1,011.8
Total Sold.....	1,576.0
Uncommitted Inventory (Not Sold).....	941.0

Position Report

Shipments for December ended up being slightly down by 2.4% compared to last year or 199.6 million pounds vs. 204.6 million pounds. The main driver was once again the domestic market which ended up posting a record 53.4 million pounds. Exports lagged behind, but our industry still caught up on commitments and now sit at 8.5% behind last year. Crop receipts currently stand at only 2,202.2 billion pounds which is 0.25% less than last year, suggesting the final crop size will be right around the 2.3 billion pound level. New sales for December were robust by posting a record 180 million pounds, meaning January should have strong shipments. Using the above numbers and applying a crop size of 2.30 billion, our industry's sold position is 63%.

The Market

Pricing has followed the same trend since the holiday season. The strong increases in price have backed off but demand has still been consistent for small sized SSR and inshell for India. This has created a bottom up market that continues to compress as the main market drivers are looking for small sized SSR. The least active markets are Nonpareil kernel buyers and in turn we have seen that price flatten or soften over the course of the last couple weeks even though the final crop size will fall well short of the estimate. The main reason for this is because of trade and currency issues that have affected large Nonpareil kernel markets like Turkey (down 51%) and China (down 15%). On top of that, the fastest growth categories are plant-based protein items such as almond milk, butters, and bars which use small sized pollinators as input material. This in turn has created the compression we have been seeing over the course of the last year. This trend could continue since many new plantings are self-pollinators like Independence and Nonpareil/Monterey blocks. It will be imperative to get reciprocal trade agreements in place with places like China to continue nonpareil kernel demand.

As we head into bloom, the market should remain relatively stable. Inshell availability is becoming scarce and as we get deeper into Spring small sized SSR could be in the same shape. Buyers have been covering hand-to-mouth as they anticipate lower prices but now with tighter supply on certain items, we could see some longer coverage. The upside, however, will be capped with the crop potential of 2019. As we get chill hours and plenty of strong winter storms this only increases the outlook for a larger crop potential.

Notes from the field

We want to thank you growers for delivering better quality this year. The cost of packing increases exponentially with higher percentages of insect damage and exposes our product to greater food safety scrutiny. Orchard sanitation is a must in controlling insect damage. Your continued support will help your bottom line as well as ours.

“Buyer & Seller of Quality California Almonds”